



# Top Priorities and Other Projects

(Items in **BOLD** denote Mayor's Budget Cornerstones)

November 17, 2004

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# **Top Priorities and Other Projects**

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## 1. **MAINTAIN CITY SERVICES** (Ruthie Quinto)

The City is in a position to continue to maintain City services at their current levels. Last year's actions included decreasing total non-sworn full-time equivalents by 27 Citywide, increasing sworn positions by 70 full-time Equivalents Citywide, identifying over \$13 million in cost containment and efficiencies, holding departmental FY 2004 budgets to FY 2003 levels including no budgeted increases for outstanding labor contracts, and continuing to engage in Best Practices implementations including the Solid Waste Transfer Station, privatization of Convention Center operations, and managed competition of the City's printing and copying services. Furthermore, the Council-approved budget for FY 2005 included the maintenance of services at their existing levels and further implementation of efficiencies wherever possible.

## 2. **ECONOMIC DEVELOPMENT** (Fred Burkhardt)

Business Retention & Expansion – The Department is currently working with 19 firms representing 1,468 jobs and \$163,341,000 of gross output.

Business Attraction – The Department is currently working with 27 firms representing 11,819 jobs and \$806,520,900 of capital investment.

The Department continues discussions with Mexicana Airlines relative to utilization of Fresno as a hub for inbound/outbound cargo to and from Mexico and Latin America.

Economic Development is working with a 4-year, accredited university and a developer to occupy 11,000 sf of classroom space and an additional 100 units of student housing. The campus location would be downtown.

Staff exhibited at the International Council of Shopping Centers fall conference in Palm Springs. Meetings are being scheduled to follow-up active leads. It is anticipated that there will be 2 rounds of meetings in the Los Angeles area. The meetings will focus on downtown, mixed use developments and project financing.

Staff will finalize the departmental marketing and advertising package by early November. The package will focus on RJI cluster related firms located in the Bay area, San Jose, Los Angeles, Orange County and Inland Empire firms.

Staff is finalizing the strategies and budgets to address the recruitment of 25-Fortune 1000 firms. The finalized strategies will be completed in early November.

### INCENTIVE ZONES:

Enterprise Zone – The application process to acquire a new Enterprise Zone has begun. The Department has submitted an RFQ to consulting firms that specialize in packaging applications for such programs. Staff is also performing a routine audit of Enterprise Zone to be certain that all address locator data is accurate.

### 3. PROTECTING THE RESERVES (Ruthie Quinto)

The Mayor proposed, and the Council affirmed, an \$8.9 million reserve for the FY 2005. The State ratified an agreement between the Governor's Office and local government officials that calls for a \$1.3 billion per year contribution from local governments to the State's budget deficit for FY 2005 and FY 2006. For the City of Fresno, the impact is a \$3.5 million property tax reduction in FY 2005, and \$4.5 million for FY 2006. Although a healthier than anticipated carryover covered the hit to the General Fund in FY 2005, for FY 2006, the City may need to use part of the Emergency Reserve. Therefore, it remains crucial that the reserve is protected, providing some protection from the State's revenue shifts. Furthermore, in January, 2004, the City Council implemented an Executive Order issued by the Mayor establishing a 5% General Fund Emergency Reserve and defining the fiscal emergency status that must occur in order for the Reserve to be utilized.

### 4. PUBLIC SAFETY (Jerry Dyer/Randy Bruegman)

#### POLICE DEPARTMENT: (Jerry Dyer)

Crime Statistics – Through the first eight months of calendar year 2004, the Fresno Police Department showed an overall increase in violent crime of 3.6% and a decrease in property crimes of 5.4 %. Although violent crime was steadily on the rise during the first six months of the year, this trend has been reversed for July and August.

During the month of August 2004 compared to August 2003, violent crime dropped by 11.0%, homicide dropped by 55.6%, rapes decreased by 31.8%, and aggravated assaults were reduced by 13.4%. Robbery was the only violent

crime category which increased by 4.6%. Felony arrests in August 2004 were up 13.4% as compared to August 2003, and are up 7.7% year-to-date.

New Public Safety Administration Building – The Police Department in conjunction with the Redevelopment Agency is in the process of recommending an architect for a needs assessment regarding the new Public Safety Administrative Building, and are simultaneously in the process of finalizing the requirements for the Request for Proposal (RFP).

Public Safety Training Center – After meeting with the City Attorney's Office and the Finance Department, the Fresno Police Department will prepare a contract for the purchase of land (Central & Hayes) from the Department of Public Utilities (DPU). It is anticipated that this item will come before Council at year end.

New Central Policing Station – The Fresno Police Department is making progress in the selection of one of the three possible locations for the new Central Policing Station. Two of the possible locations are in the Jefferson area and the third in the vicinity of Roeding Park.

Skywatch Unit – The Fresno Police Department Skywatch Unit sold the three Enstroms in August to a private party in Glendale, Arizona. We are currently negotiating the purchase of a second EC120b with American Eurocopter. Despite the challenges faced in selling the helicopters, the Skywatch Unit continues to be a vital crime fighting tool logging over 1,865 hours flown during fiscal year 2004. With only a single helicopter, Skywatch was still able to fly 302 patrol hours in the 1<sup>st</sup> quarter of fiscal year 2005.

#### FIRE DEPARTMENT: (Randy Bruegman)

The Fire Department is working on the facility improvement project for existing fire stations. A detailed needs list has been prioritized in order to utilize the \$4.8 million most efficiently and effectively. Facilities Management will be performing most of the renovations with in-house and temporary employees. Work of a specialized nature will be bid out to private contractors.

Fire Stations 15 and 17 are well underway with the CMU walls going up. Station 15 is scheduled for completion by January 18, 2005, and Station 17 should be completed one month later. Completion dates may be affected by inclement weather.

A new water tender has been ordered and will be delivered in May 2005. KME was the successful bidder with a bid of \$295,695.

Five (5) new engines have been ordered through Smeal Fire Apparatus. One engine will be for new Station 15 and four will replace our oldest apparatus,

which are 1979 and 1983 vintage.

Three (3) new aerial trucks have also been ordered through Smeal Fire Apparatus. All three are 100-foot aerials and will go toward replacing our oldest ladder trucks. The aerials are expected in Fiscal Year 2006.

The Hazardous Materials Response vehicle, funded through the Department Homeland Security, is under construction and will be delivered to the department near the end of March 2005.

The Fire Department has developed its plan to standardize all of its equipment to enhance the operational capabilities on emergency incidents. Standard equipment has arrived and is being placed on reserve apparatus beginning the week of October 18, 2004.

The department has made great progress on the new records management system, inspection, and supply modules. The Council approved the contract on October 19, 2004. In addition, NEC will be installing new mobile data terminals in all fire apparatus beginning mid-November to increase the effectiveness of responding companies.

Direction from the City Council at the end of Fiscal Year 2005 budget was for the Prevention Division to evaluate the current fire and life safety fee inspection schedule and propose a better solution, one that is fiscally responsible for the City and more fairly implemented to the business community. Evaluation has been completed and will be presented to Council in late Fall.

The department has begun its accreditation process with the formation of an internal team to begin the internal analysis and evaluation. The objective is to use this quality initiative to improve service and ultimately lead to agency accreditation. This project is anticipated to take approximately three years.

The department is working on a residential sprinkler initiative and has had several meetings with the BIA, internal City departments, and elected officials to develop a strategy on the formation of an ordinance that would require the use of residential sprinklers in all occupancies in the community. This work is ongoing and should be concluded by January 2005.

The Fire UGM fee study has been completed by the consulting firm of Quad Knopf. The Council approved the quadrant area concept earlier this year. The final report which will set the new development fees is being prepared by the Public Works Department and should go before Council later this year.

5. BUDGET (Ruthie Quinto)

On June 22, 2004, the City Council approved the budget FY 2005. Key points of the FY 2005 budget are that core city services are maintained, 20 public safety officers are added, 12 firefighters are added, an increased investment in neighborhood infrastructure, a continued investment in economic development, and the 5% General Fund reserve remains protected. Also, in connection with the FY 2005 budget, the City updated department contingency plans at the 5% level. Finally, the proposed budget document presentation featured the City's Vision, Values and Behaviors along with specific bridging statements related to the Key Result Areas that existed at the time the proposed document was prepared. On September 28, 2004, staff presented Council with the impacts of the State's budget. The State ratified an agreement between the Governor's Office and local government officials that calls for a \$1.3 billion per year contribution from local governments to the State's budget deficit for FY 2005 and FY 2006. For the City of Fresno, the impact is a \$3.5 million property tax reduction in FY 2005, and \$4.5 million for FY 2006. A healthier than anticipated carryover covered the hit to the General Fund FY 2005, and planning has begun to provide alternatives for FY 2006, especially in consideration of the impending contribution to the Pension system.

6. IMPLEMENTATION OF GENERAL PLAN (Nick Yovino)

The Fancher Creek Project is being addressed by a draft Environmental Impact Report which has been prepared by Land Use Associates (Bruce O'Neal) and released for public review and comment on October 12, 2004, which began the mandatory 45-day public review period. The target date for the EIR to go to Council is December 2004.

Tentative Tract Map No. 5232 has been submitted by the project engineer (Quad Knopf) for the residential portion of the Fancher Creek project. The map, as submitted, does not comply with applicable zone district standards. This map cannot be formally approved until the EIR for Fancher Creek has been approved and certified by the City Council. A tentative tract map has not been submitted for the industrial park portion of the project.

Copper River Ranch has the following components either in process or complete:

- Conditional Use Permit App. No. C-03-193 provides for the construction of a tertiary wastewater treatment facility to be located on the north side of Copper Avenue between Maple and Chestnut Avenues. This project has been approved with no appeals having been filed. The project applicant still needs to obtain the necessary Waste Discharge Permits from the State, which may take six to nine months. Construction plans have been submitted to the Building and Safety Division of plan checking.

- Plan Amendment App. No. A-03-16 and Rezone App. No. R-03-77 relate to the northeast and southeast corners of Friant Road and Copper Avenue. The southeast portion is proposed to be developed as a park-and-ride lot. A neighborhood commercial center is being proposed for 2.0 acres on the northeast corner. The plan amendment is also requesting to remove the equestrian portion of the multi-purpose trail on Copper Avenue between Willow and Friant and add a segment of trail designation extending south of the Copper Avenue/Friant Road intersection. The Planning Commission recommended approval on October 6, 2004, and the applications will be considered by the City Council on October 26, 2004.
- Conditional C-04-153 relates to the master conditional use permit for the entire single-family residential portion of the Copper River Ranch Project, which proposes 1,084 single-family lots covering 300 acres. The balance of the 1,753 residential units plus commercial, office, and open space development covering an additional 200 acres will be evaluated under separate entitlements. This special permit, together with Tentative Tract Map No. T-5205 is scheduled to be considered by the Planning Commission on November 3, 2004.
- C-04-154 relates to the current Copper River Golf Course to establish a landscape transition area between the golf course and proposed development by Copper River.

Prepare Activity Center Boundaries, Definitions and Development Guidelines to implement the land use and urban form component of the 2025 Fresno General Plan – Staff is working with the Local Government Commission (LGC) to utilize Transportation and Community, and Systems Preservation grant funds to retain planning consultant services to prepare specific plan guidelines to implement the general plan activity centers. The grant funds have been obtained by the LGC and the scope of work is being finalized with the planning consultant.

Comprehensive Zoning Ordinance Update – Planning and Development Department has co-sponsored a Zoning Ordinance Update Workshop with the County of Fresno's Planning Commission to facilitate a coordinated comprehensive code update. The Department proposes to enter into a contract with a planning consultant for preparation of the ordinance update by the end of calendar year 2004. A draft mixed-use ordinance amendment has been prepared for immediate consideration and adoption, which allows mixed use projects in advance of the comprehensive code update.

Pinedale Specific Plan – Department staff and planning consultant completing plan preparation and have conducted several advisory committee and/or neighborhood meetings. Completion of the draft specific plan is anticipated in

November 2004, and Planning Commission and City Council public hearings conducted in December.

Southeast Growth Area Community/Specific Plan – Staff is working with a planning consultant to define the scope of work and parameters to guide the preparation of the community/specific plan for the Southeast Growth Area. It is anticipated that a consultant contract will be entered into by January of 2005, and the initial work elements of the plan preparation completed by July 2005.

Permits – Building and Safety Services is continuing to maintain a very high level of activity. The Inspection Section is averaging 400 inspection requests daily, and the Plan Check Section is maintaining approximately 200 plan checks in process at all times. The complexity of projects is continuing to rise. Currently, a major expansion to the sewer plant is in plan check and a major private power generation system is under construction.

7. REGIONAL JOBS INITIATIVE (Timothy Lynch)

The Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley has adopted the RJI Implementation Plan as part of a Federal Demonstration Project, and is working closely with local groups on its implementation. Efforts are also underway to secure a similar commitment from the State government, with Mayor Autry taking the lead with Governor Schwarzenegger. While no State commitment has been made, there are already visible signs that the State is paying close attention to the RJI initiatives. On October 20, 2004, President Bush renewed the Federal Task Force for two more years, and made HUD the lead agency, allowing Rollie Smith to continue as the RJI liaison.

One of the earliest RJI initiatives to be proposed, even before the Implementation Plan was adopted, to make Highway 99 an Interstate Highway, recognizing that it serves that purpose today without any of the benefits that flowed to the original 42,000 miles of Interstate Highway. The California State Legislature has now unanimously supported this initiative, and the entire Central Valley Congressional delegation is actively supporting. At the urging of Secretary Sunne McPeak, and with the facilitation of the Great Valley Center, the San Joaquin Valley COGs have agreed to joining in the effort to secure from the Federal government appropriate waivers and funding as has been done for thousands of miles of Interstate.

At the six month public report / community meeting held by the RJI on June 23, 2004, each cluster and task force reported on their progress, which has been considerable. One example where the City of Fresno took the lead since the RJI Implementation Plan was released were the road improvements for North Avenue initiated by the Public Works Department, which runs through a major



commercial/industrial area of the City. Another example was Fresno Area Express working with call centers on van pools, which helps both air quality and job creation.

Other initiatives underway address apprenticeships in the construction industry, and industrial park developments especially for Roeding and the airport area. In addition, the City of Fresno's success in installing one of the largest solar electric sites in California has helped spur interest in the RJI energy cluster and other clean energy initiatives. Community Choice Aggregation, an initiative of the Kings River Conservation District which has been supported by the City of Fresno is seen as one of the most viable ways to deal with our high energy costs.

8. ROEDING BUSINESS PARK (Marlene Murphey)

The Department of Utilities has completed the development of a new water service well located on the west side of West Avenue just north of State Route 180 West.

A Request of Qualifications for a Master Developer has been prepared for the Phase I Marketing and Development in the Roeding Business Park. The RFQ is proposed to be updated in concert with the Mayor/Council Economic Task Force.

A national computer company is looking at a 15 acre, 250,000 square foot building project next to the SPCA.

Staff is finalizing a \$498,050 EDI Grant application and environmental review for submission to HUD. Deadline is December 31, 2004. The grant is proposed to be used for the extension of commercial level telephone service to the core area of the Roeding Business Park. Staff is in the process of obtaining documents from Federal agencies on environmental issues and historical considerations.

Design and reconstruction of Whites Bridge Road between Teilman and West is pending the activation of an EDI Grant for \$447,040. Application for the activation of the grant was submitted to HUD and the environmental review documents were submitted to the federal reviewing agency. Based on a telephone contact with the reviewing agency, all appropriate documents are in order.

Staff is exploring ways and means for reimbursing development costs for extension of commercial grade telephone service to proposed development projects.

9. INTERNATIONAL AIR SERVICE (Russ Widmar)

Mexican Airlines continues to be our primary target for international air service. We began negotiations during a recent trip to Mexico City during which we met with senior executives of the airline. Mexicana wishes to begin non-stop service to Guadalajara, Mexico with five flights a week in March 2005. A task force of community leaders including business, government and agribusiness representatives is formed and is working on solutions that will allow international flights to occur for the first time in Fresno's history. The staff and task force members understand the potential risks to the agricultural industry that is associated with these flights. This is the reason that an agriculture risk assessment has been started. The assessment will identify risks, develop specific mitigation measures, and contingency response programs coordinated at the federal and county level. However, the cost of operating a Federal Inspection Station, including reimbursing US Customs and Border Protection for specialized and experienced inspectors, is a formidable economic obstacle for the Airports Department, and this challenge will grow as the developing agricultural safeguards are agreed upon. We are exploring options to meet this financial challenge.

10. AIR CARGO (Russ Widmar)

The new \$13 million air cargo apron will be completed in November and the package delivery carriers DHL, FedEx, and UPS will relocate there in January 2005 after the busy holiday season.

A freight forwarding firm has opened at FYI and is offering its services to local shippers. By consolidating the shipments of a number of shippers, truckloads are being built up locally, which are being driven to LAX, SFO or Oakland for loading aboard all-cargo aircraft. Eventually, the freight forwarder, a subsidiary of the all-cargo airline Evergreen International, hopes to build an identified and dependable daily shipping demand sufficient to bring Evergreen or another all-cargo airline to FYI so trucking to other cities will not be necessary.

The Federal Aviation Administration has advised that they will accept an extension of Fresno Yosemite International Airport's (FYI) main runway to 10,000' as a key part of the FYI Master Plan now under development. This acceptance will make the runway extension eligible for future federal funding assistance under the Airports Improvement Program. This length runway is considered the minimum length to allow B-747 freighters to depart FYI with full fuel and maximum payload for non-stop flights to the Pacific Rim.

11. BEST PRACTICES (Timothy Lynch)

Every recommendation in the Meeting the Challenge Report has been implemented or is in the process of being implemented. New initiatives have been folded into the budget process, or are the subject of specific working groups. In addition, the new citywide effort to focus on Key Result Areas (KRAs) has encouraged continuous improvement within City departments.

Among the accomplishments:

- SMG is now managing the Convention Center complex, which should result in annualized savings of roughly \$1 million per year over 5 years.
- The RFP for a new transfer station resulted in the award of a contract that should reduce the City's solid waste costs by roughly \$1 million per year. This facility is now built and operating.
- The printing and copying services managed competition of early 2003 demonstrated that the process itself results in new efficiencies and savings, even when the City retains the services. The use of managed competition to compare the City's ability to perform certain functions with private sector competitors continues in other areas, as is the exploration of selective outsourcing.
- An area that is still under active consideration and considerable management effort is turning over commercial solid waste collection to private vendors, who in turn would pay a franchise fee to the City for this opportunity. This revenue stream would go to the general fund. This approach has been used with considerable success in other communities.

The Transit Director and Assistant City Manager are exploring various options to develop either a Transit Authority or an expanded Regional Powers Authority to better achieve efficiencies in the Region. The first step, which has already seen some results, is improved coordination between the City of Fresno and the City of Clovis to improve bus services at very low cost.

Fresno County Association of Governments is studying the alternatives to improving regional transportation strategies with the active cooperation and leadership from the City of Fresno. The two initiatives moving forward under the COG are transit consolidation and a public transportation infrastructure study.

Transit Consolidation – The Council of Fresno County Governments issued a Request for Proposals (RFP) for the Public Transportation Regional Agency Formation Study in May 2004. The Public Transportation Regional Agency Formation Study Steering Committee met on September 10, 2004, to hear

formal presentations from the bidding consultants in order to determine which proposal would best serve the goals of the study. Award of the contract is on the COG Policy Board's October 28, 2004, agenda.

Public Transportation Infrastructure Study – On September 30, 2004, the COG approved a contract for the first phase of a Public Transportation Infrastructure Study (PTIS). This study will evaluate existing General Plans, policies, land use designations, and evaluate different transit strategies (i.e., light rail, BRT) and determine what changes may be required to support high capacity transit alternatives. The contractor selected represents a team of nine consulting firms including nationally recognized and local firms.

12. VISION 2010 (Marlene Murphey)

Community Medical Center Campus (CMC) – The 340,000 square foot trauma stack and ambulatory care center is near completion, and a grand opening celebration is tentatively scheduled for February 2005. The University of California San Francisco Medical Education Research Center is also near completion with an opening scheduled in 2005. The Agency has completed the Phase II land acquisition, and transfer of the properties to CMC should be completed by the spring of 2005.

Downtown Magnet School – Fresno Unified School District (FUSD) has completed the site clearance and has started preliminary site work and utility installations for the construction of the K-6 school at McKenzie and Fresno Street just north of the CMC. The school is expected to open in 2007.

Santa Fe Parking/Depot – The Council awarded a \$1.48 million contract to American Paving Company to build a 727 space parking lot that will be landscaped with 250 trees and shrubs. Construction is 65% completed and it is expected that the site will be ready for use by January 2005.

Federal Courthouse – Construction of the new 8-story Federal Courthouse began in the spring of 2002 and will be finished in the spring of 2005.

Civic Center Square – Construction continues on the four (4) story, 80,000 square foot office building at the southwest corner of Tulare and 'O' Streets. Construction of the adjacent five (5) story parking garage has also begun with the clearance of the site and the start of the foundation. As identified per the contractual agreement with the City, the project must be completed by April 2005.

Parking Garage/Convention Center – Construction is underway on the \$18 million, 5-story 1,573 stall parking structure on the Convention Center parking lot at the southwesterly corner of Inyo and "O" Streets. Construction is at 20%

completion and it is expected that to be completed in June/July 2005. During the construction period a temporary parking lot for approximately 200 cars has been constructed on Redevelopment Agency property on the west side of "O" Street at the Santa Clara Street alignment in the Phase I area of the Old Armenian Town Project.

Uptown Museum District – The first phase of streetscape improvements, along Van Ness between Stanislaus and San Joaquin was completed on May 28th.

Central Valley Business Incubator (CVBI) Building – Bids on the construction of the project have been opened and several have been awarded by CVBI on September 27, 2004. The steel package was one of the bids awarded which should ensure that the project is on target to be completed by the end of 2005. The building will contain incubator "office cells" to assist and cultivate start-up businesses in a supportive environment. CVBI is also proceeding with its fund raising activities to provide matching funds for a \$1.9 million EDA Grant for construction of their 2-story, 28,000 square foot building located on the east side of Van Ness between Inyo and Mono Streets. The Redevelopment Agency has provided the land for the project at a below-market rate.

Old Armenian Town Project – A special public meeting was conducted by the Housing and Community Development Commission on October 20, 2004, to review the proposed certification of the Final EIR and approval of the DDA for the Old Armenian Town Project. After hearing comments from the public on the project, the Commission unanimously approved recommending that the project proceed forward to the City Council/ Redevelopment Agency Board for consideration on October 26, 2004, which was continued to November 30, 2004. The Old Armenian Town Project is a phased commercial mixed-use development that will be developed under a "Master Plan" for 9.72 acres bounded by 'O' Street, Ventura Street, 'M' Street, and Freeway 41. The Project will primarily contain approximately 740,000 square feet of office uses (not including the 60,000 square foot 5<sup>th</sup> DCA Courthouse being developed by the State) and approximately 70,000 square feet of retail uses.

South Stadium (Formerly Riverwalk) – The Agency and the City Attorney's Office are proceeding with amending the Convention Center Redevelopment Plan to effectuate any necessary land acquisition, zoning, circulation, etc., to accommodate the proposed development by Forrest City. At the meeting of October 19<sup>th</sup> the Agency Board authorized the formation of a Citizen's Advisory Committee to provide public input to the proposed plan amendment. The Agency is in the process of forming the CAC.

Chinatown – Per Council direction, staff has worked with Keyser Marston and Associates consultants, the City/Agency's contract law firm of Bacigalupi, Neufeld, and Rawley, and the Developer, Historic Chinatown LLC, in preparing a

revised Exclusive Negotiation Agreement for a 165 acre study area. On October 27th, the Housing and Community Development Commission reviewed the proposed Draft ENA and related matters and unanimously recommended their approval by the Redevelopment Agency Board. On November 9<sup>th</sup>, the Redevelopment Agency Board approved the ENA. Pursuant to the ENA, the Agency Board also directed staff to initiate the CEQA review and undertake formation of a Project Area Committee for the Chinatown Expanded Redevelopment Plan and prepare any other documents and take other steps to carry out the Agency's obligations under the ENA. The City Council also adopted a resolution initiating the redevelopment plan amendment process for the Chinatown Expanded Redevelopment Project Area.

Eaton Plaza – In August Council approved the Eaton Plaza Master Plan and Phase One Construction Project and recommend amending and revising related Civic Center and General Plan Documents. Parks and their consultant MPA (Michael Painter Associates) after meeting with stakeholders and the general public refined the Eaton Plaza Concept into a formal planned area incorporating the most popular elements suggested by stakeholders and the general public from comments gathered at numerous meetings. Development of the concept would proceed on a phased basis. The proposed Phase One will provide for a 300 +/- seat amphitheater, irrigation, turf and shade trees. A construction budget of approximately \$500,00 is available. Staff estimates that Phase One will be complete by December 2005.

13. DISTRICT COURT OF APPEALS LOCATION (Marlene Murphey)

The 5<sup>th</sup> DCA Courthouse is located within Phase 1 of the Old Armenian Town Project and it is anticipated that construction of the Courthouse will begin in the spring of 2005 and be completed by October of 2006. The Agency is coordinating with all stakeholders in the development of the overall schedule for the project. The Agency has also completed the final version of the Master Disposition and Development Agreement with the Developer for the Old Armenian Town Project, and is completing a review to ensure its consistency with the State Agreements for the 5<sup>th</sup> DCA Courthouse project.

14. HOUSING (Nick Yovino)

Home Buyer Assistance Program – With home prices continuing to rise at alarming rates, we are seeing a decrease in the number of qualified applicants who have secured a purchase option on a home they can afford. Regardless, approximately 20 families have been assisted in FY 05 and we anticipate securing home ownership for over 100 additional families by the end of the fiscal year.

Vagabond Lofts – Groundbreaking for Fresno's first downtown housing project in more than 20 years is set for late November or early December. This mixed-use project consists of 38 residential lofts and 9,000 square feet of commercial spaces.

Sierra Gateway Senior Affordable Residences – This \$9 million new senior housing project is located in Northwest Fresno. The developer, Southern California Presbyterian Homes, has secured a HUD grant of \$7 million for the project and the City will participate with \$750,000 of HOME funds. The HOME program agreement will be presented for Council consideration in November.

Green Building In-fill Demonstration Project – The City has partnered with Alvis Projects to construct six energy-efficient, single-family homes on scattered in-fill sites throughout the city. The homes will incorporate alternative building methods resulting in lower energy bills to the homeowners. The City is currently soliciting sponsors and additional funding for the project. The City public-private agreement will be presented for Council consideration in November.

Church Avenue Apartments – Geneva Partners has secured a competitive 9% low-income housing tax credit for this \$28 million large-family, mixed-income multifamily project. The 142-unit project is located along Church Ave. in Southwest Fresno. The City will participate in the project with \$1.5 million in HOME funds. The HOME program agreement will be presented for Council consideration in December.

South Clara Estates – The City issued a Request for Proposals for a City owned vacant 2.5 acre parcel in June 2004. The Fresno West Coalition for Economic Development has been selected to develop this affordable single-family housing project consisting of 10 homes. Fresno West will also be partnering with James Hendrix and Associates on the project. The sale agreement and HOME program agreement for the project is expected to be presented for Council consideration in late November or early December.

#### REHABILITATION:

City Rehabilitation Contract with the Housing Authority – After a lengthy start-up period, the Housing Authority is well into moderate and major owner-occupied repairs throughout the city. The contract term was extended in October to June 30, 2005. To date, more than 35 home owners have participated in the program. The multifamily rental rehabilitation program, as originally designed, did not attract interest by apartment owners. The City will convert the funds earmarked for this rental repair program to an owner-occupied program for seniors in the near future.

Senior Paint Program – Funds appropriated for FY 05 will allow the City to assist approximately 65 senior households. Since July, more than 45 homes have been painted. The waiting list for this popular program continues to be extensive.

Refugee Housing Assistance – In September, the City hired a Refugee Housing Liaison, Fue Houa Thao, to assist incoming Hmong refugees from the Wat Tham Krabok camp in Thailand. Specifically, Ms. Thao will be assisting the refugee families with their housing needs, including identifying available, affordable rental units and working with the Hmong Resettlement Task Force, a collaboration of community-based organizations involved in orientation and resettlement services for this population.

#### RUNNING HORSE:

The developer of Running Horse has completed the EIR and the following have been filed and accepted by the City for processing:

- Tentative tract map for 776 lots around a golf course
- Rezone application
- Plan amendment application
- CUP for a golf course, including a clubhouse, maintenance shop, restrooms and private roads

The following hearing dates have been tentatively set for processing the applications:

- Planning Commission on November 17, 2004
- City Council on December 15, 2004

On October 11, 2004, an "At-Risk" early grading permit was issued for the northern one-third of the project. This portion of the project is all within the jurisdiction of the City. Approximately half of the foundations for the initial 58-unit subdivision have been poured.

#### VETERANS HOME:

California Veterans Affairs officials have promised that the 27-acre site would be transferred to the State by the end of the year. Construction of the \$95 million, 300-bed, 300-employee home is now scheduled for 2008. Original construction costs were estimated at \$62 million. The Governor recently approved a bill that will add another \$100 million to the already \$64 million on hand to ensure that all five homes to be built in the State are fully funded.



15. EMPLOYEE RELATIONS (Jon Ruiz)

Labor Relations has concluded negotiations for successor labor agreements with CFPEA and IBEW. Staff is preparing the Memorandum of Understanding document for ratification by the parties.

The City is continuing its efforts to reach an agreement on successor labor agreements with Local 39, FPOA Management, IAFF, and Fresno Airport Safety Supervisors.

FY 2005 - First Quarter, as compared to FY 2004 - First Quarter, showed significant reductions in grievances filed. Fifteen grievances were filed in FY 2004, as compared to 9 in FY 2005.

16. LABOR MANAGEMENT TASK FORCE (LMTF) (Jon Ruiz)

The LMTF continues to build on its success in the improvement of labor-management relationships and has expanded its role in City-wide communications. During a period of intense labor negotiations, several of which concluded during the past quarter, LMTF members have retained a focus on larger proactive goals and have researched major City-wide policy issues such as providing input toward revising the attendance policy and reviewing draft Administrative Orders prior to implementation.

The LMTF and ISD are proceeding with the grant-funded website in conjunction with the generous assistance of Dr. Kwon of the Craig School of Business at CSUF.

17. OPERATION CLEAN AIR (Bruce Rudd/Ken Nerland/Russ Widmar)

Fleet – Operation Clean Air Initiatives – Receive grant funding from the San Joaquin Valley Air Pollution Control District in the amount of \$523,257 for Cleaire Longview retrofits of existing refuse trucks and purchase of new liquid natural gas (LNG) powered refuse trucks to reduce Nox emissions by 25-40% and particulate matter (PM) by 85%.

Complete 15 of 60 Cleaire Longview exhaust after-treatment device installations on 2000 model residential refuse trucks to reduce Nox emissions by 25% and PM by 85%.

Order 8 advanced 2005 model Chevrolet SULEV rated gasoline-electric hybrid ½ ton trucks with planned delivery in November, 2004.

Purchasing – Fire/Police Administration Building & Communication Center – In May, 2004 an Request for Environmental Impact/Request for Qualifications (RFEI/RFQ) was issued to potential parties who may be interested to provide the financing, land, design and construction of a turn-key Fire and Law Enforcement Administration Building and Communication Center to be located in downtown Fresno within close proximity to the existing County Jail.

Ten potential qualified respondents submitted responses to the RFEI/RFQ by the submittal deadline of May 27th. A review committee was formed which consisted of staff from the Purchasing Division, Fire Department, Police Department, Redevelopment Agency, Public Works, Construction Management and County of Fresno to evaluate the responses. The respondents were given an opportunity to present their design-build team and answer questions of the committee. Based on these interviews and associated information the review committee is presently determining the respondents that will be qualified to participate in the subsequent design-build Request for Proposals (RFP) process.

Also, the review committee is working to identify a consultant and the needed funding to complete a Needs Assessment for each of the represented agencies. Following completion of the Needs Assessment a Design-Build Request for Proposals (RFP) can be drafted and issued to the qualified respondents from the RFEI/RFQ process to ultimately select the Design Team to move forward the design & construction of the project.

Airports – Design is currently underway on security and capacity improvements to the passenger terminal building including the possible location of the new Federal Inspection Station adjacent to the current facility. Key to design will be the inclusion of environmentally sensitive mechanical, electrical and other building systems. We will continue our efforts to reduce energy consumption both for our operations and those of our tenants. Another recent example is the inclusion of 400 Hz ground power packs and pre-conditioned air units installed on our four new passenger boarding bridges. These units provide electricity and conditioned air to commercial aircraft parked at the terminal building. Use of these new units eliminates the necessity of running jet-fuel-burning, on-board or ground level auxiliary power units.

18. EDUCATIONAL REFORM (John Madrid)

Juvenile Accountability Ordinance (daytime curfew) – As of Nov. 17th a total of 288 truants have been picked up and returned to school under the OSIS (Operation Stay In School) program. Of the 288 truants only two have been picked up a second time and have been cited in violation of the ordinance - a .69% recidivism rate. As a comparison, last school year, as of this date, a total of 191 truants were picked up and seven were cited, a 3.7% recidivism rate. Even though a higher number of truants have been picked up this school year the second truancy citation rate has dropped significantly.

After School Recreation Standardized Program, as well as the Enrichment Program – Officially started on October 4th. Standardized programming currently takes place at 54 Fresno Unified sites. The Enrichment program consists of 4 specific program elements: fitness, character development, fine arts, performing arts. A rotation of the 4 program elements will have been conducted at 30 school sites by December 17th. Additionally, 7 Neighborhood Parks will have received rotations by that same date which includes a 5<sup>th</sup> element of nutrition provided through our partnership with CSUF, Healthy Active Families Program.

Work Skills Development – This new program is scheduled to kick off early next year. We should hear this week on the city application to SBC corporation for \$50,000 in technology assistance through their Accelerators Grant Program. This grant would establish a 20 station computer lab to be used in the Recreation Division's Fresno BEST (Business Education Skills Training) Work Skills Development Program

Literacy Program – This new program is operating in 3 elementary school sites: Edison Bethune, Hidalgo, and Winchell Elementary School. The program is serving 20 K – 3 grade students per site for 1.5 hours a day; 4 or 5 days per week. A fourth site, West Fresno Elementary will be operating before months end. All students are pre-tested to determine their reading level and will be post tested to determine progress.

19. WATER (Martin McIntyre)

Surface Water Treatment Facility – Treatment Facility is complete and producing 20 million gallons per day. Project was on schedule and within budget.

CVP Contract Renewal – Contract terms negotiated. Draft Contract in circulation for public review and comment. The US Bureau of Reclamation and City of Fresno must complete two separate environmental assessments prior to Contract execution. City Staff has commenced an Environmental Assessment pursuant to CEQA.

Southeast Water Supply Development – Current water supply inadequate to satisfy 2025 General Plan. Low yielding aquifer and spreading groundwater contaminants complicate development of an adequate supply. A new SE water plan, including a surface water treatment facility has been developed. Associated impact fees have been calculated and shared with BIA. Staff anticipates submittal to Council for action in November 2004.

Metropolitan Water Resource Management Plan – Metro Water Plan must be comprehensively updated to comply with CEQA and State Statutes. Request for Qualifications to be distributed in October, contract award before end of 2004. Water Plan and EIR to be completed no later than Dec 2005.

20. FRANCHISE NEGOTIATIONS (Timothy Lynch)

Comcast – The Comcast Cable Franchise Agreement was set to expire December 31, 2004, but in negotiations with Comcast it was agreed to continue it on a month to month basis, up to December 31, 2005, to allow negotiations to continue. The City has retained a Cable Consultant, The Buske Group, to assist in the complicated Federal process in order to maximize the public benefits from this technology. A Cable Franchise Renewal Task Force has been created and Focus Groups are being organized to do a thorough needs assessment, one step required by Federal law. A major step in this process was completed in October 2003 through a series of eight community-based meetings to gather public input. The meetings and other inputs to the City continuing through today clearly demonstrate a broad base of support for greater public access in Fresno through the cable system. And like other efforts involving best practices, this franchise renewal effort is being pursued in cooperation with the City of Clovis and the County of Fresno since their agreement with Comcast expires the same time ours does, and we serve overlapping constituencies, such as the school districts.

This effort has jumpstarted the City's desire to use the existing cable franchise tools better, and the Council has approved a MOU to partner with local educational and non-profit partners to activate the City's government channel. There are eight partners in this use of Channel 96, including the County of Fresno, Fresno Unified, Fresno State, State Center Community College, Fresno County Office of Education, the Higher Education Consortium, KVPT – Public Television, and the City of Fresno. City Council chambers were wired and ready for broadcasting in August, 2004, and for several Council meetings the entire proceedings have been on Channel 96 live.

The City's Cable Franchise ordinance has been revised to reflect best practices and changes to Federal law, and was approved by the City Council on October 19, 2004. We are now preparing the new franchise agreement we will be asking Comcast to approve to allow negotiations to proceed.

PG&E – The PG&E Franchise agreement for gas does not expire for many years, and PG&E asserts our electrical Franchise is "Indeterminate" even though the City Charter limits it to 50 years. The gas franchise expires in 2007. Until a few months ago, PG&E was seeking new Franchises, which the City believed would have opened up this subject to review, but has since withdrawn that request. Whether the City can open up the electrical franchise to negotiations remains an area of legal uncertainty. Now that PG & E is out of bankruptcy, this legal issue needs to be addressed again.

21. UGM REVIEW (Mike Kim)

FY 04 Annual Report under preparation. Staff has processed \$1.9 million in reimbursements this fall and recovered \$70,000 in outstanding impact fees.

On August 17, 2004 Council adopted an increase in the Traffic Signal fee with an effective date of November 8, 2004 subject to staff returning to Council with methods to subsidize the increase for specific areas (ie. RJI and downtown areas).

Consultants are wrapping up the Police and Fire impact fee nexus studies for Council consideration later this year.

Staff continues to coordinate with other consultants to develop new impact fees for right of way acquisition, major trail construction, public safety and other impacts fees as identified and discussed with the BIA. These potential new fees would be incorporated into the next generation of impact fees.

22. THE PACIFIC INSTITUTE TRAINING (Daniel Hobbs)

The City Manager, all of the Department Heads and over 1200 employees have completed the 4-day high performance training known as Imagine-21. The training uses cognitive psychology principals that teach individuals as well as organizations to use the skills of thought and analysis in setting and reaching goals. The Facilitators for the class sessions are City employees including but not limited to the City Manager, Department Heads, Division Managers, Communication Technicians, Carpenters, Leadworkers, and Mechanics.

A Leadership Team has been formed that is currently translating these high performance principals into new organizational behavior. The creation of Outcome Focused Government was borne from the principles of this training. The focus on outcomes has led to the following key areas of business performance:

- Continuation of Imagine-21 training throughout the organization
- The establishment of a organizational evaluation system
- The measurement and tracking of business analytics as a tool to determine how we as an organizations are performing
- Key Results Areas as a visioning tool for a better Fresno.

The establishment of vision, values and key objectives has further strengthened the organization focus on Outcomes. These tenets are key to unlocking the enormous power of the organization. The three Key Objectives: Customer Satisfaction, Employee Satisfaction and Financial Management are the balance point for how we as an organization make decisions. Critical to the process is that all three objectives must be weighed in the decision process.

23. SMG (Andy Souza)

Since taking over the operations of the Convention Center on January 1, 2004, SMG has identified over 160 events, which are at various stages from a signed contract to initial negotiations. SMG anticipates an increase of over 60% in the total number of events held at the facilities during calendar year 2004. A detailed listing of the SMG generated bookings, along with the events generated by the CVB, are forwarded to the Mayor and City Council each month.

SMG has identified and are negotiating contracts for new lines of event business for the facilities. These include wedding, new car show, and local corporate meeting to name a few. Additionally, SMG has recently contracted with the first ever Black Business Expo event. Working with the CVB, SMG has recently contracted for the largest hotel room night event ever to be held in the Convention Center in 2007. The hotel room night estimate for this event is 17,000 plus.

SMG has engaged AIS Market Research of Fresno to complete and issue report on a detailed Community Public Opinion Survey on the facilities. The final report and its recommendation have been recently received by SMG and they are implementing and acting upon the recommendation contain in the report.

SMG has successfully negotiated the sub-contractor agreement with the CVB, and has completed the implementation of the Fresno Sports Council which has recently close its first sporting event contract, a three year contract for a high school basketball tournament to held at the Selland Arena. SMG has also participated in assisting the Tourism Cluster of the RJI, including discussing strategies that impact both the City facilities and the Save Mart Center. Additionally, SMG is working closely with many local hospitality and industry partners with the goal of increasing awareness and business for the facilities. These partners include the Chamber of Commerce, the EDC, Hotel Association, Fresno Art Council, and the Downtown Association, etc.

SMG has recently completed negotiation on several very important revenue producing contracts for the facilities. These include a new contract with Ticketmaster that will increase the ticket rebate revenue to the facilities by five times over the historical amounts and also have completed contract negotiation with premier internet service provider in our industry, Priority Networks. This contract will provide wireless internet access, voice-over IP applications for a telephone system, and computer networking. Which are all new revenue sources to the facilities and will also reduce operating cost.

At the current time there is one (1) City employee remaining at the facilities. The employee is scheduled to transfer to City operations prior to December 31, 2004. One City employee has accepted a position with SMG.

24. GRAFFITI REMOVAL (Nick Yovino)

Anti-Graffiti Education – In September 2004, *Bob Bring-It-Down* spoke to 651 4<sup>th</sup> grade students from 6 elementary schools to bring the total students receiving Bob's anti-graffiti message to 1050. Bob is booked to appear at 15 additional schools through the end of December. The program is on target to reach and even exceed the goal of reaching 2000 students or 18 schools by the end of FY '05.

Abatement Team – Other than a sharp spike in March, citizen graffiti complaints have leveled off, averaging about 10 calls a day. Response time to requests for service is under 24 hours.

Community Partnerships – The 2<sup>nd</sup> annual Adopt-A-Spot Volunteer Recognition event will be held on October 23, 2004 at the new Exhibit Hall. 14 organizations and groups will receive awards for removing in excess of 50,000 square feet of graffiti. An *Adopt-A-Spot* volunteer will be selected to receive the Volunteer of The Year award as a representative of the many individuals who tirelessly clean graffiti around their neighborhoods.

Graffiti Paint-out Block Parties: Three (3) events were organized between July 1 and Oct 30. 32 volunteers from Youth Leader Council, Home Depot and Southwest Weed & Seed contributed 35 service hours in removing 10,000 square feet of graffiti.

Graffiti Summit – At the September 15<sup>th</sup> Graffiti Summit, the Graffiti Team and a citizen advisory board adopted a new initiative: Graffiti Prevention through Environmental Design. Landscaping will be used to cover up otherwise blank "canvasses" popular with graffiti vandals. Unprotected walls and fences that run along major streets or face a school will be given first priority. Plants and landscape material will entirely be donated. A landscape designer/nursery owner and a general contractor are part of the five-member advisory board.

25. FRESNO CITIZEN CORPS (Carla Glazebrook)

With support from the private sector and a number of local agencies, a one-stop website has been developed that provides citizens with easy access to detailed information about volunteer opportunities—[www.FresnoCitizenCorps.org](http://www.FresnoCitizenCorps.org). A 24-hour volunteer hotline is also available at 621-5000.

There are currently over 120 citizen volunteers who serve on the *Citizen Corps* board and its committees. The establishment of the Council has resulted in networking and collaboration throughout the community—connecting groups that are not naturally linked and building a safer, stronger community.

The FCC Board of Directors has developed a strategic plan and been awarded an *AmeriCorps* grant to establish the *Fresno Safe and Proud Neighborhoods* program that will expand the *Neighborhood Watch Program*, as well as enhance emergency preparedness and neighborhood-based public safety efforts. The initial \$336,674 award funded 21 full-time AmeriCorps volunteers who are currently working 1,700 hours each for a total of 357,000 hours in 2004. A 2005-2007 application for \$661,000 per year for 40 members was recently awarded in national competition. The new/expanded homeland safety and security program will begin November 1, 2004.

To date 157 citizens have completed the 20-hour Federal Emergency Management Agency (FEMA) disaster preparedness course. A comprehensive CERT website for use by the public and instructors has been donated; and instructors are volunteering approximately 80 hours per month to conduct the classes.

In order to determine the nature and scope of human and physical resources that could be made available to first responders and agencies such as the Red Cross, in the event of a major disaster; and to serve the ongoing need for public safety volunteers, the FCC Faith Committee mailed surveys to 420 houses of worship; and has received 70 responses to date. The Community-Based Organizations Committee also surveyed local non-profit organizations regarding their level of disaster preparedness.

The FCC Public Safety Committee is partnering with the Faith Community Committee to recruit a substantial number of new volunteers for the *Volunteers in Police Service* program. Volunteers are currently being recruited for placement in administrative positions; as well as other highly successful programs, such as *Citizens on Patrol* and the *Police Activities League*. Volunteers will be recruited for the new *Fire Corps* program in the near future.

26. WEBSITE (Bob Hendricks)

ISD has begun final testing of e-Government projects to include:

- Online Utility Bill Payment processing
- Online Building Permit processing of applications, inspection scheduling and payment processing

ISD has been working in collaboration with Fresno County and the City of Clovis in the development of a regional portal that will provide a central place to conduct online business with all three agencies.

Over the last six (6) months, ISD has enhanced the City's Website with the following functions:



- Added the High Risk Offenders Web Site
- Redesigned the Department Directory to a more user friendly format
- Added a centralized Forms directory for all City forms
- Low Emission Vehicle Parking Permits Request
- Designed and implemented a centralized, online City Photo Database
- Added detailed maps for parking locations in Downtown Fresno
- Continuous progress updates of the TPI Imagine 21 training

27. RAIL CONSOLIDATION (Mike Kim)

The City continues to meet with representatives from Caltrans and Burlington-Northern-Santa Fe Railroad regarding the proposed siding which would lengthen the existing siding at Figarden Dr. The proposal would add approximately 3.5 miles to the existing siding for a total siding length of approximately 5.2 miles. The estimated cost of the proposed project is \$11.2 million. Staff is concerned about increased train idling and storage. In addition, this level of investment makes rail consolidation that much more costly in the long run.

On October 14<sup>th</sup>, Staff from Transportation and the City Manager's office met with BNSF and Caltrans Representatives to discuss the process by which this location was selected as a siding extension. During the discussions, Caltrans and BNSF explained that the process started several years ago and was determined to be the best location for an extension, based on the levels of train services for both passenger and freight service which are somewhat limited to timing issues by the Union Pacific tracks at Tehachapi and again by the services entering the rail systems at the Port of Oakland via Sacramento. BNSF and Caltrans are working on a Public Relations – Neighborhood Meeting plan to bring to Fresno, possibly in Mid January, wherein, the public could ask questions and review the plans. The next meeting between City Staff and Caltrans/BNSF representatives is being scheduled for Mid December to finalize the issues and work on a plan for a public involvement meeting. As a City, we have not yet determined whether or not we approve or disapprove of this siding plan.

Approved:

Daniel G. Kim

Date:

Nov. 17, 2004